

Message Text

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PAGE 01 PORT A 00186 171700Z
ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 AID-05 EB-07 AGRE-00 COME-00
OMB-01 TRSE-00 IGA-02 /026 W
-----171704Z 068029 /44

P R 171538Z JAN 77
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC PRIORITY 3820
INFO AMEMBASSY SANTO DOMINGO

UNCLAS PORT AU PRINCE 0186

E.O. 11652 N/A
SUBJECT: IFB 521-006-77-2: LOAN 521-T-006

REF: (A) STATE 004220, (B) 76 STATE 263242

1. IN RESPONSE TO REF A, USAID & BORROWER (IHPCADE)
HAVE ADHERED SCRUPULOUSLY TO ALL STANDARD REQUIREMENTS
FOR AID LOAN-FINANCED FERTILIZER PROCUREMENT AS SET
FORTH IN HANDBOOK 15.

2. IN ADDITION, PARTICULAR CARE HAS BEEN TAKEN TO MEET
REQUIREMENTS, AND ADDRESS CONSIDERATIONS PROPOSED BY SER/
COM, REF B, AS FOLLOWS:

PARA. 3-A: SUBJECT IFB WAS DRAFTED WITH SER/COM TDY
ASSISTANCE, AND APPROVED BY SER/COM IN NOVEMBER, 1976;

3-B: IFB WAS PUBLISHED WITH 45 DAYS NOTICE IN SMALL BUSINESS
CIRCULAR;

3-C: BID OPENING WAS PUBLIC, AND ATTENDED BY USAID
PERSONNEL;

3-D AND E: SEE BELOW PARA. THREE THIS CABLE;

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3-F: 50/50 SHIPPING REQUIREMENTS NOT APPLICABLE, SINCE
FERTILIZER IS BEING TRUCKED OVERLAND. HOWEVER, REQUIREMENT
WAS STATED IN IFB.

3-G: SEE BELOW PARA. FIVE THIS CABLE;

3-H: SUPPLIER WILL BE PAID BY AID DIRECT LETTER OF COMMITMENT,

AS RECOMMENDAJ;

4-A: LAB DATA CERTIFYING FERTILIZER MIX TO IFB SPECIFICATIONS IS PART OF REQUIRED SUPPLIER DOCUMENTATION FOR PAYMENT;

4-B: IFB MADE CLEAR THAT WEIGHT CERTIFICATION WAS TO BE BY ACTUAL WEIGHT AND IN METRIC TONS;

4-C: USAID IS DISCUSSING LOCAL AGENT COMMISSION WITH DOMINICAN SUPPLIER REPRESENTATIVE. PRELIMINARY INDICATIONS ARE COMMISSION EXPECTED TO RISE ABOVE \$2.52 PER MT PAID LAST YEAR. SUPPLIER IS BEING ASKED TO PROVIDE EXPLANATION OF "NORMAL" COMMISSION RATES AND JUSTIFICATION FOR ANY CHARGES IN EXCESS. SUPPLIER BEING ADVISED HE MAY BE REQUIRED TO ABSORB SOME OF COMMISSION COST, IF EXPLANATION IS INADEQUATE;

5: U.S. FERTILIZER INDUSTRY RESPONSE TO IFB'S UNDER THIS LOAN HAS BEEN DISAPPOINTING. ONLY 2 OUT OF 3 BIDS SUBMITTED TO SUBJECT IFB WERE U.S. ONE U.S. BID WAS INVALID (NO BOND, NON-U.S. FLAG).

IT APPEARS THAT FUTURE LOAN 006 FERTILIZER PROCUREMENT MAY NOT IN FACT BE SUFFICIENT TO DRAW GREATER U.S. INTEREST. HOWEVER, EVEN IF DOMINICAN SUPPLIER HAS COMPETITIVE ADVANTAGE, MORE BIDS WOULD BE USEFUL TO ASSURE BORROWER AND AID THAT REASONABLE PRICE REQUIREMENTS OF LOAN AGREEMENT BEING MET.

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3. GIVEN: (A) NEED TO PROCEED WITH TIMELY PROCUREMENT OF FERTILIZER (B) STRICT ADHERENCE BY BORROWER TO ESTABLISHED PROCEDURES; (C) EXISTENCE OF RESPONSIVE BIDS, (D) UNDERSTANDING BY SUPPLIER OF IFB CONDITIONS INCLUDING SPECIAL PROVISION 42 AND (E) CAPABILITY IN USAID REVIEW AND APPROVE BORROER PROCUREMENT, USAID HAS INFORMALLY ADVISED IHPCADE THAT AWARD WILL BE FORMALLY APPROVED BY IMPLEMENTATION LETER. IHPCADE HAS ADVISED US THAT ALL THREE BIDDERS HAVE BEEN NOTIFIED APPROPRIATELY AND THAT FORMAL LETTER TO USAID BEING SENT.

4. REF A. WAS APPARENTLY SENT FROM AID/W JANUARY 8 AND DID NOT ARRIVE HERE UNTIL JANUARY 10. THEREFORE, IMPOSSIBLE NOTIFY SUPPLIERS PRIOR JANUARY 7 THAT THEY SHOULD EXTEND VALIDITY THEIR BIDS TO SOME LATER DATE. WE BELIEVE ANY SUCH REQUEST TO SUPPLIERS NOW WOULD BE MOST IMPROPER AND THREATEN INTEGRITY OF PROCUREMENT PROCESS. USAID PLEASED WITH MANNER IN WHICH BORROWER PROCUREMENT OF FERTILIZER HAS PROCEEDED. SER/COM ASSISTANCE IN DEVELOPING IFB AND APPROVAL THEREOF AS CALLED

FOR IN HANDBOOK 15 WAS GREAT HELP.

5. SUPPLIER REQUESTS AID APPROVAL OF DOMINICAN REPUBLIC DEPARTMENT OF AGRICULTURE FOR INSPECTION AND LAB ANALYSIS. THIS LABORATORY WAS ORIGINALLY ESTABLISHED UNDER AID SPONSORSHIP. IT PERFORMED THE TESTING ON LAST YEAR'S PROCUREMENT. BOTH PORT AU PRINCE AND SANTO DOMINICAN MISSION WOULD FIND THIS ACCEPTABLE. IF, HOWEVER, SER/COM FEELS THAT LAB WORK SHOULD BE DONE BY ONE OF AID APPROVED LABORATORIES LISTED IN IFB, PLEASE ADVISE ASAP SO THAT SUPPLIER CAN MAKE SELECTION.

6. BY SEPARATE AIRGRAM COPIES ALL THREE BIDS, BORROWER NOTIFICATION AND USAID IMPLEMENTATION LETTER BEING FORWARDED FOR SER/COM INFO AND RECORDS. FOLLOWING SER/COM ACTION REQUESTED.
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1) AS PER ABOVE, PLEASE ADVISE IN DETAIL REGARDING COMPLIANCE SPECIAL PROVISION 42 INCLUDING ACCEPTABILITY DOMINICAN DEPARTMENT OF AGRICULTURE FOR LAB WORK.

2) PLEASE PROVIDE BY PRIORITY CABLE ASAP GUIDANCE ON ACCEPTABLE COMMISSION. USAID ADVISED COMMISSION INTENDED COVER CERTAIN SERVICES AGENTS WILL PROVIDE INCLUDING DISTRIBUTION WITHIN HAITI. WE WILL REQUEST BREAKDOWN AND ADVISE AID/W. BUT IN MEANTIME NEED TO KNOW WHAT IS CONSIDERED QUOTE REASONABLE UNQUOTE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, FERTILIZERS, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PORTA00186
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770017-0032
Format: TEL
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770145/aaaabnmp.tel
Line Count: 154
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 20cbf2d8-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
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Reference: 77 STATE 4220, 76 STATE 263242
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3581041
Secure: OPEN
Status: NATIVE
Subject: IFB 521-006-77-2: LOAN 521-T-006
TAGS: EAID, EAGR, HA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/20cbf2d8-c288-dd11-92da-001cc4696bcc
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